



FINANCE COMMITTEE

CITY COUNCIL

TUESDAY, SEPTEMBER 4, 2007
CITY COUNCIL OFFICE
5:00 p.m.
AGENDA

Committee: M. Goodman-Hinnershitz, Chair; S. Fuhs; J. Waltman

I. Amendment to Purchasing Policies **5:00 p.m.**

- The Mayor shall have final approval of contracts under ~~\$50,000~~ \$25,000.
- City Council shall award or reject all contracts exceeding ~~\$50,000~~ \$25,000

I. Review: July Income Statements **5:45p.m.**

II. Review Trust Fund Ordinance
Sustainability
Organization

III. Interaction of Finance Dept, & Auditor w/ City Authorities

V. Budget Committee **6:30p.m.**

- Define Review Areas
- Set Meeting Schedule

VI. Redevelopment Authority Audit - D. Cituk

- City Auditor report on Redevelopment Authority Audit (Request for Audit made at April 23rd regular meeting of Council)
 - a. UDAG Fund
 - CNA project repayment
 - Location in General Fund or CDBG Budget
 - b. CDBG Administrative Fund - balance and use of funds

VII. Management Salaries

- Restoration of Salary Ordinance

Upcoming Issues

Trash and Recycling Costs

Land Value Tax – Two Tier Tax -

Policy for the review and adoption of bonds and other financing initiatives

Storm Sewer Utility

Water Authority

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

2008 Budget Calendar

- June 9 – Budget Summit
- July 14 – Budget Summit Policy Issues
- July 16 – Preparation and Submission of Department Descriptions and Goals and Services Provided
- August 1 – Preparation and Submission of Detailed Department Budget
- September 5 – MD's Proposed CIP submitted to City Council and appropriate Boards and Commissions
- September 5 – October 5 – Submittal of Proposed CIP to City Council.
- September 5 – Submission of departmental budget requests to Council Budget Committee
- September 10 - Budget Sub-committee Begins Review of General Fund Budget requests.
- October 8 – Budget Sub-committee recommendations made to Managing Director; Pending Budget returned to Departments for review
- October 15 – Discussion on Prelim. Budget at Special Finance Committee Meeting & Submission of any increased tax or fee ordinances
- November 1 – Formal presentation of 2007 Budget (General Fund and CIP) to Council & Introduction of Budget Ordinances at Special Meetings; Introduction of Fee and Tax Ordinances
- November 1 - Advertisement of General Fund and CIP Budget (Note: Figures to City Clerk by Monday Oct 29 to allow preparation of the advertisements)
- November 8 – Special Meeting (if necessary) for the Introduction of Budget Amendments
- November 12 – Last day to Introduce Budget Amendments at Special Session
- November 15 – Capital Budget Public Hearing 5:30 p.m. Council Chambers
- November 19 – General Fund Budget Public Hearing 5:30 p.m. Council Chambers
- November 26 – Adoption of General Fund Budget, CIP Budget, and any Tax and Fee Ordinances

Budget Committee Organization:

In order for Council to digest the enormous amounts of information presented by the Administration, a separate committee of Council will be created for the purpose of reviewing the budget. The President of Council may create the committee, although any member of Council may propose a resolution establishing the committee. If a resolution is proposed it must be passed by a majority of Council.

The Budget Committee shall be composed of the following:

- Chair, a member of the Council Finance Committee designated by the President of Council
- 2 additional Councilors
- Managing Director
- Finance Director or his designee
- Council Staff
- Other personnel deemed to be necessary by the Finance Director

- Ex Officio: Council President

Process: The Chair will be responsible for defining the specific process to be followed; however, certain criteria must be met.

1. Following an initial meeting between all of Council and the Administration (the Budget Summit), the committee shall schedule a separate meeting with the Managing Director to agree upon the process to be followed;
2. Any member of Council is invited to attend meetings, but may only participate if they are a member of the committee;
3. A review of the General Fund budget must be completed by the committee and a summary prepared for review by the body of Council;
4. The committee shall prepare an initial list of priorities, amendments and suggestions, to serve as a framework for subsequent discussions with the Administration;
5. The committee will be responsible for articulating the position of the body of Council during all discussions with the Administration related to budget;
6. A majority of Council may elect to override the positions of the committee if it is determined to be necessary;
7. The Chair must provide reports, either verbal or written to the entire body of Council on a regular basis throughout the budget process; the President of Council or a majority of Council may decide to set a schedule for reports;
8. The Chair will serve as a point of contact between the Administration and the body of Council, all requests for information must be relayed to the Chair, who will further relay the request to the information.

Benefits of this Approach: A process will provide for a more orderly review of the budget, the establishment of tangible goals and firm deadlines and better communication and participation in the budget setting and prioritizing process.

BILL NO. _____
AN ORDINANCE

ESTABLISHING A PARK AND RECREATION TRUST FUND TO PROVIDE FOR THE PRESERVATION, REHABILITATION, MAINTAINANCE AND CREATION OF CITY OF READING PARK AND RECREATION FACILITIES, ACTIVE AND PASSIVE, AND TO PROVIDE FOR NEW AND EXISTING RECREATION PROGRAMS THAT WILL SERVE THE CITIZENS OF READING PENNSYLVANIA.

WHEREAS, the cost of providing all public services to our citizens has risen beyond the combination of all tax revenue collected annually. Therefore, the City of Reading City Council establishes this Park and Recreation Trust Fund to finance the ongoing rehabilitation and maintenance of our park and recreation facilities, active and passive, to create new park and recreation areas, and to provide existing and new recreation programs that will serve all Reading citizens.

THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Establishment and Purpose. Establishing a Park and Recreation Trust Fund which will be administered by the City of Reading City Council. The Park and Recreation Trust Fund shall be used to finance the ongoing preservation, rehabilitation, maintenance and creation of park and recreation facilities and to provide for new and existing recreation programs that will serve the citizens of Reading Pennsylvania. The first deposit to this Park and Recreation Trust Fund shall be one half the proceeds from the sale of the property known to all as the Antietam Lake Parcel.

SECTION 2. Powers and Duties.

A. The City of Reading City Council is authorized to use the Park and Recreation Trust Fund to undertake the duties described herein and also to acquire all types of interests in real property including but not limited to fee simple acquisitions, easements, licenses, and/or development rights or any other lesser interest in real estate in or outside the City for Park and Recreation purposes. The Council also is authorized to accept grants, gifts, donations and testamentary bequests of property and/or property rights and to use its power of eminent domain to acquire property or property rights.

B. The Council shall determine the amount of funds to be used annually the purposes described herein and any acquisition of rights or property. The Council shall also determine what use may be made of any real property or property rights acquired by use of the Park and Recreation Trust Fund. In making its decisions, the Council shall take into account the recommendations of the City Administration, the Planning Commission, the Historic Architectural Review Board, and the Park and Recreation Advisory Council.

C. The Park and Recreation Trust Fund may also be used to acquire real property which has improvements upon it at the time of acquisition, provided that the Council determines the principal purpose of the acquisition is to create, expand or preserve a park or recreation facility or program. In the event the Council shall find it appropriate to apportion the cost of acquisition between open space and improvements, it may do so and charge the Park and Recreation Trust Fund for the approximate value that it deems appropriate relative to open space and the City's capital accounts for the value that it determines attributable to improvements. The deed of any property or property rights acquired with funds from the Park and Recreation Trust Fund shall contain a specific statement reflecting that the property was acquired with funds from the Park and Recreation Trust Fund.

SECTION 3. Funding.

A. The Park and Recreation Trust Fund shall be established and maintained as a separate account in the City's general capital fund and shall be known and designated as the "Park and Recreation Trust Fund." A separate bank and/or investment account shall be opened and maintained for this purpose. The Council may invest funds in the Park and Recreation Trust Fund annually or periodically. Funds in the Park and Recreation Trust Fund shall be used solely for the purposes set forth in this Chapter.

B. The first deposit to this Park and Recreation Trust Fund shall be one half the proceeds from the sale of the property known to all as the Antietam Lake Parcel. The Park and Recreation Trust fund shall also be funded through the collection of an amount of two cents (\$0.02) per One Hundred Dollars (\$100.00) of assessed valuation of each annual City property tax levy, beginning January 1, 2009. The Park and Recreation Trust Fund shall also be permitted to accept grants, gifts, donations and testamentary bequests. The funds accumulated within the Park and Recreation Trust Fund may be utilized to acquire all types of interests in real property, including but not limited to, fee simple acquisitions, easements, licenses, and/or development rights or any other lesser interest in real estate in the City or outside the City for the purposes as provided in this Chapter or as a down payment for the issuance of bonds for the same purpose at the discretion of the Council. Any and all interest accruing shall remain in the Park and Recreation Trust Fund and may be utilized for the above-described purposes.

SECTION 4. Disposition of Property or Other Property Rights. No property or rights acquired with funds from the Park and Recreation Trust Fund shall be sold or otherwise disposed of by the City unless the Council has authorized such disposition through the enactment of an ordinance.

SECTION 5. Review. Every two (2) years, the Council shall review its activities and issue a report with recommendations and conclusions concerning the future use and disposition of the Park and Recreation Trust Fund.

SECTION 6. All ordinances of the City of Reading, which are inconsistent with the provisions of this Ordinance, are hereby repealed to the extent of such inconsistency.

SECTION 7. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

SECTION 8. This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, or repassage by City Council over the Mayor's veto, in accordance with Section 219 of the City of Reading Home Rule Charter, or as set forth in Section 221 of the City of Reading Home Rule Charter.

Enacted _____, 2007

President of Council

Attest:

City Clerk

(Council Staff & Legislative Aide Committee)

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____

BILL NO ____-2007
A N O R D I N A N C E

AMENDING THE CODIFIED ORDINANCES OF THE CITY OF READING CHAPTER 1, PART H, EXHIBIT A PURCHASING PROCEDURES, BID SOLICITATION, EVALUATION AND AWARD PROCEDURE, 11.4 BID AWARD AND ADDING 11.5 OTHER ACTIVITIES REQUIRING CITY COUNCIL APPROVAL VIA ORDINANCE.

**NOW, THEREFORE THE COUNCIL OF THE CITY OF READING
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. Amending the Codified Ordinances Chapter 1, Part H, Exhibit A Purchasing Procedures, Bid Solicitation, Evaluation and Award Procedure, Item 11.4 Bid Award and adding 11.5 Other Activities Requiring City Council Approval via Ordinance as follows:

11.4 BID AWARD:

11.4.1 It is the policy of the City to make awards to the vendor who meets the specifications for the items or services to be purchased at the lowest cost. Factors such as delivery time, quality, operating and maintenance costs, service, etc., as well as initial price, should be taken into consideration in determining the lowest cost vendor.

11.4.2 The department director shall review all bids and make a recommendation to the purchasing manager by completing the "Recommendation to Award Contract" form. If the purchasing manager does not agree with the recommendation of the department director, the award will be referred to the purchasing committee for determination.

11.4.3 The Director of Finance shall review the recommendation to ensure an award is compatible with the budget.

11.4.4 The Managing Director shall approve all recommendations.

11.4.5 The Mayor shall have final approval of contracts under ~~\$50,000~~ **\$25,000**.

11.4.6 City Council shall award or reject all contracts exceeding ~~\$50,000~~ **\$25,000**.

11.5 OTHER ACTIVITIES REQUIRING CITY COUNCIL APPROVAL VIA ORDINANCE¹:

- 1. Salary increases that were not approved in or included in the budget for the fiscal year and fall outside the labor contract for union employees.***

¹ Already set forward under Administrative Code Section 1-186 Fiscal Provisions, Part 3. Regulations Concerning Appropriations and Transfers, Item G.

2. *All expenditures not approved and listed in the operating or capital budgets for the fiscal year.*

SECTION 2. This Ordinance shall become effective ten (10) days after its approval, in accordance with Section 221 of the City of Reading Home Rule Charter.

Enacted _____, 2007

Vaughn D. Spencer, President of Council

Attest:

City Clerk

(Council President Spencer)

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____